



**RBA: GNDC INFRASTRUCTURE
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO: 8
AGENDA DATE: 12/09/2010
PAGE: 1 OF 2**

SUBJECT: Authorize the negotiation and execution of a loan to the GUADALUPE NEIGHBORHOOD DEVELOPMENT CORPORATION or its affiliate, in an amount not to exceed \$1,500,000, to assist with Phase I of infrastructure development for the 11-acre Guadalupe-Saldaña Subdivision, located at Tillery Street and Goodwin Avenue, being developed for ownership and rental housing for low- and moderate-income households.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2010-2011 Operating Budget of the Austin Housing Finance Corporation.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING

DEPARTMENT: Austin Housing Finance Corporation.

FOR MORE INFORMATION CONTACT: Elizabeth A. Spencer, Acting Treasurer, Austin Housing Finance Corporation, 974-3182.

PRIOR COUNCIL ACTION:

PRIOR BOARD ACTION: July 24, 2008 – Authorized \$1,000,000 loan for the purchase of four acres of land that now comprise the 11-acre tract. August 6, 2009 – Authorized \$555,000 for pre-development work on the 11-acre tract.

Approval of funding will allow the Guadalupe Neighborhood Development Corporation (GNDC) to install Phase I of the infrastructure for the 11-acre Guadalupe-Saldaña Subdivision that will eventually have 90 units of ownership and rental housing for low- and moderate-income households.

Funding Request

- The \$1,500,000 will be used for the installation of utilities and streets to support 37 units of the 90-unit subdivision.
- If approved, Austin Housing Finance Corporation (AHFC) funds, including prior funding awarded, will represent approximately \$35,167 per unit.
- Estimated Sources and Uses for the project are as follows:

Sources:

Owner equity contribution	\$ 120,072
Private Financing	15,287,500
RHDA Funds (current request)	1,500,000
RHDA Funds (previous)	1,665,000
Foundation Grants & Donations	<u>1,111,991</u>
Total	\$19,684,563

Uses:

Predevelopment	\$ 805,763
Acquisition	1,196,300
Hard Costs	16,937,500
Soft & Carrying Costs	145,000
Other Costs	<u>600,000</u>
Total	\$19,684,563

The funding request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing for the development of affordable rental and ownership housing for low- and moderate-income households and persons with special needs.

Project Characteristics

- The completed subdivision will have 52 ownership units and 38 rental units.
- Phase I of the infrastructure will support 29 ownership units and eight rental units.
- The units will consist of a mix of single-family detached homes, duplexes and town homes.
- The Phase I ownership units will range in size from 980 to 1,380 square feet and will be either two-bedroom/two-bath or three-bedroom/two-bath.
- GNDC's intention is that some or all of the ownership units will be in a land trust, thereby reducing the cost to the buyer since the buyer will own the improvements but not the land. Mortgages for the improvements are estimated to range from \$50,000 to \$100,000.
- The Phase I rental units will be one-bedroom/one-bath and two-bedroom/one-bath units, with rents ranging from approximately \$415 to \$690 per month.
- The proposed project is in compliance with zoning and uses adopted in the Govalle-Johnston Terrace Neighborhood Plan.

Population Served

- All residents will be low- and moderate-income households.
- Ownership units will be sold to households with a range of incomes between 80 percent of Median Family Income (MFI), currently \$59,050 for a four-person household; as well as households with incomes at or below 50 percent MFI, currently \$36,900 for a four person-household.
- The Phase I rental units will be leased to households with incomes at or below 50 percent MFI; with four units being reserved for households with incomes at or below 30 percent MFI, currently \$17,750 for a two-person household.

The Applicant

GNDC is a non-profit 501(c) (3) organization and is certified by the City of Austin as a Community Housing Development Organization (CHDO). GNDC was established in 1981 to provide affordable housing to low and moderate-income families in the Guadalupe Neighborhood. GNDC has developed 181 units of affordable rental and ownership housing.